

J-7-J	2/4/97		
SUBJECT: State Tax Stamping Authority			
DISTRIBUTION:			
<input checked="" type="checkbox"/> AVP	<input checked="" type="checkbox"/> KAM	<input type="checkbox"/> DM	
<input checked="" type="checkbox"/> RSM	<input checked="" type="checkbox"/> AM	<input type="checkbox"/> RM	
<input checked="" type="checkbox"/> RBM	<input checked="" type="checkbox"/> AE	<input type="checkbox"/> REP	
<input checked="" type="checkbox"/> ROM			

(The following letter was U.S. mailed to customers.)

Sales		Retail	
1221		1222	
1222		1223	
1223		1226	
1224		1229	
1225		ROM	
1226			PC SC
1229			MC PA
1240			
1244		RSM	RBM

To Our Direct Buying Customers:

Over the past year or so there has been a lot of discussion about the Tobacco Manufacturers applying for state tax stamping authority.

We would like to make it very clear that R. J. Reynolds' reason for these applications is to have the ability to gain valuable adult smoker research. From our standpoint, mailing different types of test products through the mail is part of gaining important consumer research on potential new brand propositions. This is the primary reason for the 40 states we have applied to at this time.

We hope this clears up any misperceptions of RJR's intent and we appreciate your support in the marketing of our products.

R. J. REYNOLDS TOBACCO COMPANY

51851 8268